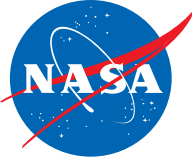


NAC Institutional Committee

NAC Institutional Committee Meeting

November 2-4, 2016

Kathryn Schmoll
Chair

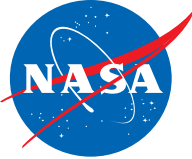


NAC Institutional Committee

One-Year Work Plan

NAC Institutional Committee

1. Assess Business Services Assessment (BSA) Deep Dive Decisions and Implementation Plans. Provide findings and recommendations to Agency. Serve as an advisory role.
 - a. Procurement Implementation Plan – November 2016 Meeting
 - b. Human Capital Implementation Plan – November 2016 Meeting
 - c. Facilities Deep Dive Decisions – November 2016 Meeting
 - d. Budget Management Deep Dive Decisions – March 2017 Meeting
 - e. Education and Outreach Deep Dive Decisions – March 2017 Meeting
 - f. Facilities Implementation Plan – March 2017 Meeting
 - g. Budget Management Implementation Plan – July 2017 Meeting
 - h. Education and Outreach Implementation Plan – July 2017 Meeting
2. Assess Business Services Assessment (BSA) Execution. One-year follow-up review. Provide findings and recommendations to Agency. Serve as an advisory role
 - a. IT Implementation Plan Execution Update – March 2017 Meeting
 - b. Procurement Implementation Plan Execution – July 2017 Meeting
 - c. Human Capital Implementation Plan Execution – July 2017 Meeting
3. Provide an independently-assessed business case for any further consolidations of Human Capital services. *(reference draft FY17 Senate Report Language).* – November 2017 Meeting
4. Review implementation status for the new Federal Information Technology Acquisition Reform Act (FITARA) and OMB related guidance. Advise Mission Support Directorate on any improvements the Agency should make regarding the Agency compliance efforts to implement FITARA. Recommend follow-on activities. (Be sure this is consistent with OIG Report language). March 2017 Meeting
5. Provide the Agency with ideas, input, lessons learned regarding grants management. Grants Management – assess proposal to go outside Agency to get services. March 2017 and July 2017 Meetings.



NASA OIG Report NASA's 2016

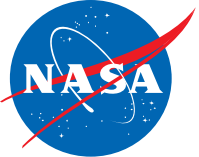
Top Management and Performance Challenges

Identified in OIG draft report dated October 12, 2016

(edits are changes from the OIG report dated Nov 5, 2015)

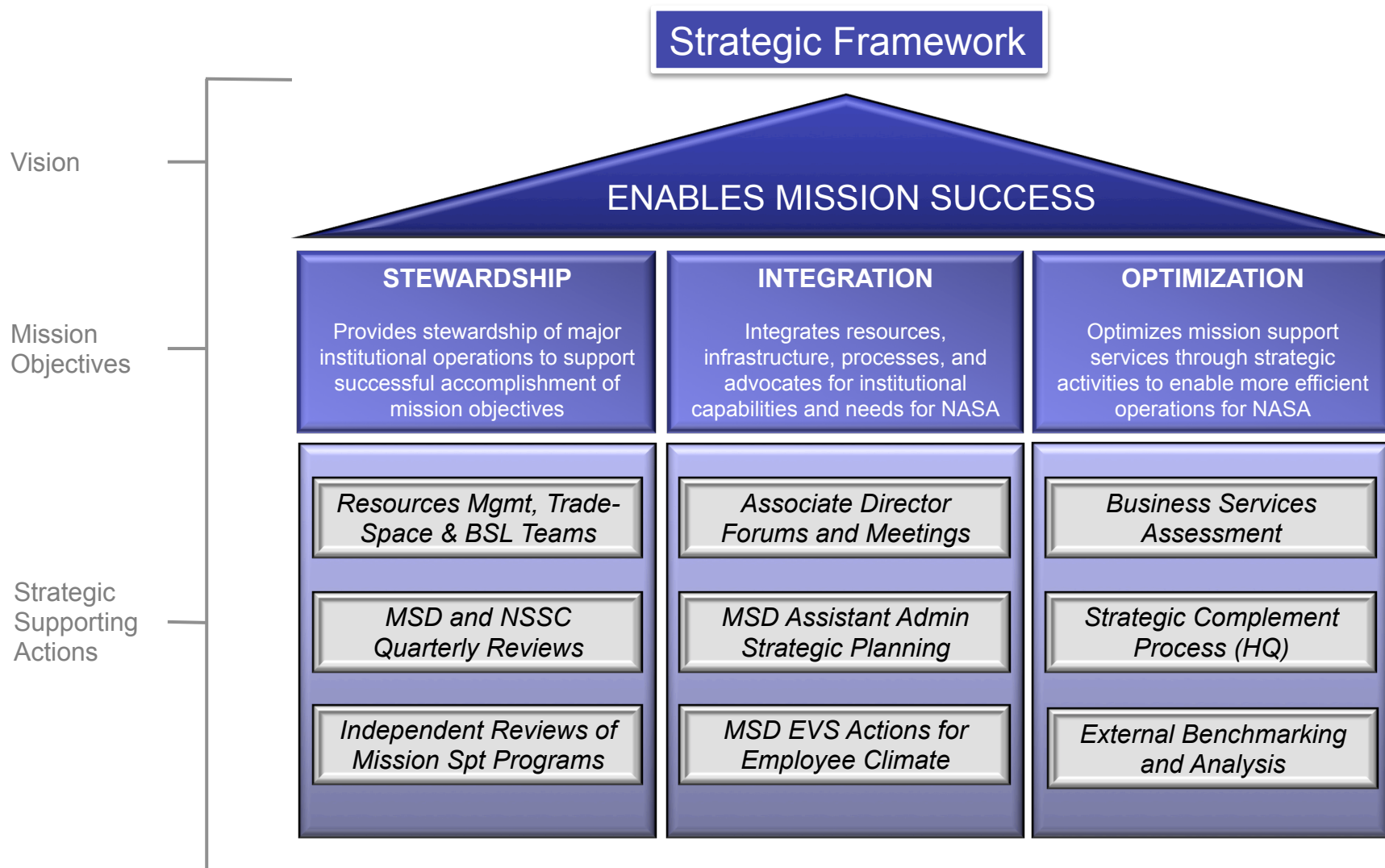
- Positioning NASA for Deep Space Exploration: ~~Developing the Space Launch System, Orion Capsule, and associated Ground Systems, and Mitigating Health and Performance Risks for Extended Human Missions~~
- ~~Space Flight Operations in Low Earth Orbit:~~ Managing the International Space Station and the Commercial Cargo and Crew Programs
- Managing NASA's Science Portfolio
- Ensuring Continued Efficacy of the Space Communications Network
- Overhauling NASA's Information Technology Governance
- Securing NASA's Information Technology Systems and Data
- Addressing ~~Managing~~ NASA's ~~Aging~~ Infrastructure and Facilities
- Ensuring the Integrity of the Agency's Contracting and Grants Processes

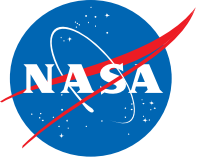
Last 4 out of 8 are Institutional Challenges



Mission Support Strategic Framework

NAC Institutional Committee





Business Services Assessment (BSA)

NAC Institutional Committee

PURPOSE

*BSA measures the Health
of mission support activities &
seeks to Optimize operations*

TENETS

*Transparent Process
Diverse Teams
Strong Stakeholder Input
Focused on Mission Success
Balances Locally & Globally
Risk Based Decisions
Strengthens Collaboration/Sharing
Enables New Investments*

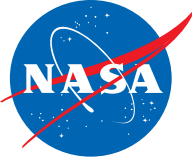
PROCESS

BSA Core Team
Refine scope for assessment activity
Collect data & benchmark
Evaluate the health of current practices
Provide findings and observations
Provide opportunities for optimization

Business Services Steering Committee
Provides guidance and direction to core teams
Integrates activities across core teams
Develops options & input from stakeholders
Presents risk-informed recommendations

Mission Support Council (MSC)
Serves as decision-making body for BSA

Functional Owner
Implements MSC decisions



Status of Business Services Assessment (BSA) Activities

NAC Institutional Committee

Implementation Phase

Information Technology

- MSC Decisions March 2015
- Implementation Plan March 2016

Procurement

- MSC Decisions Nov 2015
- Implementation Plan April 2016

Human Capital

- MSC Decisions April 2016
- Implementation Plan July 2016

Facilities

- MSC Decisions Sept 2016
- Implementation Plan Feb 2017

Assessment Phase

Budget/Program Planning and Control

- Options out for comment
- Recommendations next step
- Coming to MSC Nov 10, 2016

Education/Outreach

- Core team reported to steering committee Sept 2016
- Steering Committee developing Options
- Coming to MSC January 2017

Future BSA Assessments

Technical Authority

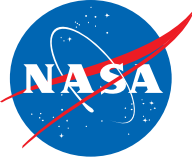
- Core Team being formed
- Assessment planned to begin January 2017

Security

- Assessment planned to begin in March 2017

Streamlined Future BSA

- Occupational Safety
- Logistics
- Chief Counsel



Business Services Assessment (BSA)

Examples of Success to Date

NAC Institutional Committee

Modernization: Human Capital is implementing a new hiring system to replace the current outdated system to modernize hiring and provide managers more flexibility in selections

**WE'RE
HIRING!**

New Investments:

New Information
Technology

Council approved

\$20M for new investments in
areas such as a corporate voice
communications infrastructure,

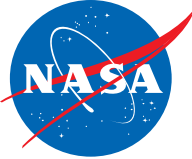
new security network monitoring

and diagnostic capabilities at Glenn Research Center, an upgrade to the physical access control system at Kennedy Space Center, upgrades to SharePoint capabilities for NASA at Johnson Space Center, a new audit tracking system, digital photo archives at Langley Research Center, and others



**SAVE
MONEY**

Cost Avoidance: The OCIO worked with numerous organizations and identified a new opportunity to consolidate various SharePoint collaboration environment instances across NASA and achieve cost avoidance of \$7M/year!

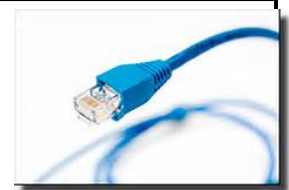


Business Services Assessment (BSA)

Examples of Success to Date

NAC Institutional Committee

Faster Network: The OCIO is implementing a major network upgrade that will enable a single network across NASA

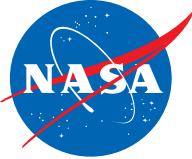


Streamlining Procurements: A new community of practice for source selection of new contracts developed new draft guidance and templates to help Source Evaluation Board (SEB) chairs and reduce lead times for the selection of new contract instruments

Standard Tools: The Office of Procurement will be implementing a new single task ordering tool that will be used across NASA and replace 10 existing tools

Sharing across Centers: Stennis Space Center will award and administer a new multiple award construction contract that will be used by 4 Centers (SSC, JSC, KSC, MSFC) and enable more effective and efficient practices





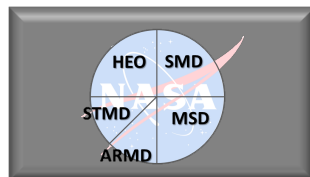
Procurement BSA Optimization Opportunities



Reduces Lead Time, enables timely completion.



Reduces the FTE required, allowing highest priority use of FTE.



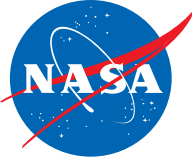
Enables well defined requirements, quality requirements definition, equals mission success.



Reduces cost, makes more affordable, allows more money for mission.



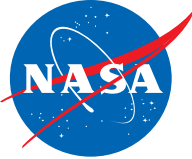
Increases compliance and/or quality of products, reducing Agency risk.



Procurement BSA

Mission Support Council Decisions

Optimize Volume	Strategic Sourcing	<ul style="list-style-type: none">Options to evaluate existing contracts and determine if a new contract vehicle is needed or not.
	Acquisition Assignments	<ul style="list-style-type: none">Options for strategic assignments of acquisitions consistent with new Agency operating model.
	Contract Administration	<ul style="list-style-type: none">Options to streamline management of existing contracts and procurements.
Optimize Time	Evaluation Process	<ul style="list-style-type: none">Options to strengthen leadership and expertise associated with SEBs.
	Policy and Guidance	<ul style="list-style-type: none">Options to make streamlined procurements a default approach with strong justification for full up SEBs with standard metrics.
Leadership	Knowledge Management	<ul style="list-style-type: none">Options to enable comprehensive training and effective knowledge capture and sharing.
	Project Management	<ul style="list-style-type: none">Options to integrate project management principles into acquisition practices to include effective measures, schedule, and milestones.
	Leadership	<ul style="list-style-type: none">Options to further strengthen leadership and accountability activities associated with acquisition practices.



General State of the Facilities Functions across NASA

NAC Institutional Committee

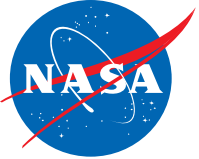
Progress to date:

- Since 2011, deferred maintenance reduced by 5% (\$150m) while our CRV went up by 10% (\$3.8B)
- Innovative approaches being used to manage high risk maintenance program (tiered maintenance)
- Center-level master plans are well done and reflect center leadership expectations
- Centers have done a very effective job integrating contractual partners into facility operations
- Design and construction (of sometimes one-of-a-kind facilities) has been highly successful for NASA
- Management pressure from the leadership and external stakeholders helped reduce the footprint

Area	Survey Responses	Facilities BSA Team Assessment		
	Center SMEs	Capability	Effectiveness	Risk
Master Planning	Satisfactory	Satisfactory	Poor	High
Design, Construction, and Demolition	Good	Satisfactory	Marginal	Moderate
Space Utilization	Good	Good	Marginal	Moderate
Real Property	Marginal	Satisfactory	Poor	High
Operations & Maintenance	Marginal	Marginal	Poor	High

Challenges:

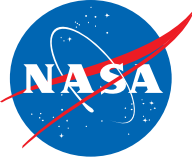
- Lack of integrated Agency Master Plan that prioritizes across Centers (vs. rollup of individual Center Plans)
- Current Center Master Planning optimizes locally but lacks Agency optimization contributing to duplication
- Lack facility business information as part of capability decisions (ie. facility condition, deferred maint, etc.)
- Lack of strong mission guidance on “Mission Dependency Index” leads to lack of strategic facility decisions
- Lack of effective plans for divestments; demolition plans are often contingent on a replacement being built
- Lack of follow through on demolition leads to re-expansion into facilities or re-purposed use of space
- Lack of adequate funding for maintenance continues to indicate rise in unscheduled maintenance
- Current practices require NASA to sustain many in-house skills for facility management that could be attained by leveraging other Agencies that specialize in facilities (ex. Army Corps of Engineers and GSA)
- Incorporating commissioning in design, construction and maintenance



Facilities BSA

Summary of Options

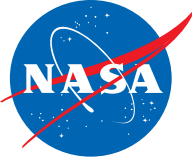
Decision Areas	Options to address	Risk of status quo (core team)	Risk of BSSC Proposal	Opportunity to improve practices
#1 Master Planning	Options for an Integrated Agency Master Plan	H	L	H
#2 Capability Management	Options to establish Agency Facility Capability Leader	H	L	M
#3 Divestments (demo)	Options to improve demolition	M	L	H
#4 Divestments (leasing)	Options to consider when leasing (In-grants Out-grants)	M	M	H
#5 Renewal / Investments	Options to improve CoF investment practices	M	M	H
#6 Maintenance	Options to improve maintenance practices	H	L	M
Integration areas and Just Do Its	Integrate with other activities & minor recommendations	L	L	L



Findings from NAC Institutional Committee Business Services Assessment (BSA)

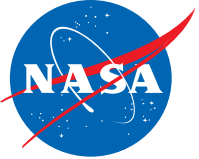
NAC Institutional Committee

- The Committee found that the BSA process is working exceptionally well. The progress since our last briefings is very impressive. All of the BSA teams appear to be maintaining high levels of energy, discipline and engagement while moving from the Deep Dive Decisions to Implementation.
- The teams we heard from during our November 2 through 4 meeting, Human Capital, Procurement, and Facilities, are: mindful of schedules, including using Project Management tools; showing flexibility as appropriate; and, approaching their efforts with a focus on transparency and staff involvement across the Agency.
- There are already great examples of success stories coming out of the BSA process; these successes need to be gathered, documented, and shared as they occur.
- Centers are sharing information and problems across the Agency through these integrated Agency BSA teams. Centers are making progress in taking an Agency-wide view regarding Agency capabilities and BSA.
- Senior leadership has been very supportive and very involved in the BSA activities to date. It is important that leadership stay engaged as the hard work of implementation and execution starts now.

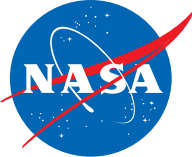


NAC Institutional Committee's Independent Assessment of Classification/Staffing Decision

- The Mission Support Directorate (MSD) Associate Administrator requested for the NAC Institutional Committee to perform an independently-assessed business case on the NASA Human Capital Business Services Assessment (BSA) implementation plan for centralization of staffing and classification operations at the NASA.
 - Consistent with the direction in the draft report language in the Senate FY 2017 Commerce Justice Science (CJS) Appropriation Bill regarding an Independently-Assessed Business Case. Excerpt: "The Committee directs NASA to provide an independently-assessed business case for any further consolidations of procurement or human resources services."
- Independent assessment completed by the Institutional Committee on November 5, 2016.
 - On March 16-17, the NASA Deputy Administrator for the Mission Support Directorate presenting the results of the Human Capital BSA deep dive with associated observations, findings, and decisions to the NASA Institutional Committee.
 - On November 2, 2016 the NASA Assistant Administrator (AA) for Human Capital presented the BSA Human Capital implementation plan and the business case for centralization staffing and classification functions to the NAC Institutional Committee. The NAC Institutional Committee discussed these plans with the NASA AA for Human Capital for over three hours and comprehensively reviewed the materials to assess the potential benefits and constraints, the potential impact on NASA mission objectives, governance implications, process considerations, impacts to systems/tools, associated resources, and risks. The committee members engaged actively with the NASA AA for Human Capital and asked very detailed questions about the plans, milestones, and other elements.
- Recommendation: After conducting an independent assessment of the NASA BSA Human Capital Implementation Plan and the specific business case regarding the classification and staffing, the NAC Institutional Committee believes the NASA decision to centralize staffing and classification functions as described in the implementation plan at the NASA Shared Services is based on sound governance, good business acumen and comprehensive consideration of mission requirements and risks. The NAC Institutional Committee believes the NASA plan is a necessary and positive step for the future of the Agency and recommends that NASA continue to implement the noted plans to centralize staffing and classification at the NASA Shared Services Centers (NSSC).



Back-up



Procurement BSA

Findings and Decisions

November 2015

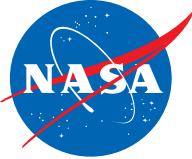
NAC Institutional Committee

Deep Dive Findings (summary):

Less than comprehensive awareness across NASA Centers about strategic sourcing; duplication of procurement capabilities and procurement instruments; a large number of task orders and incremental funding actions; low dollar level monitoring of activities; inconsistent thresholds and practices for conducting Source Evaluation Boards (SEBs) and legal/management reviews; an inadequate supply of cost/price analysts; lack of awareness of alternative source selection methods; too many, and inconsistent use of, evaluation factors in some SEB evaluation processes; lack of a comprehensive procurement knowledge repository and inconsistent sharing of lessons learned; a lack of experienced/knowledgeable SEB Chairs; inconsistent/inadequate training for SEB Chairs and members; inconsistent systems, metrics, milestones and reporting of procurement lead-times; inadequate supply of qualified technical professionals to establish requirements for new acquisitions; and, lack of stakeholder support.

MSC Decisions:

1. Expanding and strengthening the use of strategic sourcing vehicles to reduce the number of procurement instruments and enable efficiencies
2. Making strategic acquisition assignments in line with the new agency operating model to enable strengthen capabilities and reduce the overall number of procurement instruments
3. Streamlining contract management, reducing the number of tasks, and reducing incremental funding actions to enable more efficient operations
4. Establishing a community of practice to assist with Source Evaluation Boards and centralize management to contract pricing to streamline practices
5. Establishing standard policy guidance to enable more efficient operations
6. Enabling strong and effective knowledge capture and sharing capabilities to improve cross-center collaboration
7. Integrating project management principles into the acquisition process to enhance metrics and reduce lead times
8. Establishing a leadership support model to enable more inter-dependence amongst Center procurement offices and enhance operations



Human Capital BSA

Findings and Decisions

February 2016

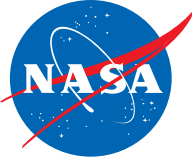
NAC Institutional Committee

Deep Dive Findings (summary):

At an Agency level, workforce planning processes are fragmented, incomplete, and focused on the near term; there is a lack of an integrated, Agency approach for recruitment; universal frustration exists with the current hiring processes and existing systems; Human Resource Specialists struggle with being customer focused and certifying compliance with laws, rules/regulations; managing work across Centers is complicated by lack of consistent grades and common position descriptions; there has been a decline in the number of qualified professionals with executive resources expertise; there is a lack of consistent, Agency-wide on-boarding processes for early career hires; many employees don't desire to serve as branch managers/supervisors; there is a lack of effective succession planning for potential future supervisors; it is not clear how we support supervisors' transition from discipline experts to leaders; the Office of Human Capital Management "owns" the training process on paper, but many different organizations own training programs and resources; many employees and supervisors find the vast array of training choices overwhelming; there are increasing demands for Organizational Development expertise across NASA and it is inconsistent across Centers; supervisors are challenged to assign the right person to the right task; there is no standard method to find available talent across the Agency; there are no standard processes for assigning/detailing individuals to another organization or Center; organizations that detail employees to other areas are often unable to backfill those positions, thus leaving them shorthanded.

MSC Decisions:

1. Establishing a Strategic Workforce Planning process and capability that works collaboratively with Missions/ Centers.
2. Implementing innovative approaches to enhance recruiting as an Agency and improving awareness of NASA-wide job opportunities outside the Agency.
3. Centralizing transactional operations for classification and staffing and conducting an evaluation of executive resources to determine the best way to manage.
4. Implementing an Agency-wide program to expose early career hires to work across NASA during their first 2 years of employment.
5. Developing and implementing a more structured approach for communicating, identifying and filling supervisory or team lead positions.
6. Conducting zero-based reviews of Agency-wide training and Organizational Development and recommending go-forward approaches.
7. Providing strong and effective support structures for employees working cross-organizational and cross-center.



Facilities BSA

Findings and Decisions

September 2016

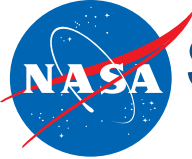
NAC Institutional Committee

Deep Dive Findings (summary):

NASA facilities are on an unsustainable cost trajectory with 80% of facilities beyond their design-life. There is a lack of sufficient connection between strategic goals and investments and the current Master Planning and Construction of Facilities (CoF) processes lack an integrated Agency approach. The measure of maintenance as a portion of Current Replacement Value (CRV) may be overstating the issue and therefore, could be improved, and there is no consistent and compelling incentive to divest of facilities. There is good collaboration among Centers and Communities of Practice are effective for sharing approaches to common challenges. Centers employ innovative practices and are excellent in “miracle maintenance”.

MSC Decisions:

1. Enable an integrated Agency Facility Master Planning Process that includes strong guidance from Missions on future needs and integrates plans across all NASA Centers.
2. Analogous to other functional leaders, enable the OSI to serve as the “Capability Leader” for facilities management to enable proper investments, maintenance, and divestments.
3. Implement a comprehensive divestment strategy with incentives for demolition and more common leasing practices as part of a broader re-vitalization strategy, to enable more effective and efficient facility capabilities and reduce ongoing maintenance challenges. And, reduce the number of facility assets via demolition and disposal to enable a more sustainable infrastructure.
4. Ensure that Agency renewal/investment decisions reflect program and institutional priorities that are consistent with NASA’s strategic goals and plans.
5. Ensure that NASA facilities are efficiently and effectively maintained following consistent processes which are measured against common criteria that ensure both workforce safety and mission success. These processes will be consistent with the Agency Master Plan’s target to enable an FCI of 4.0 for required NASA facilities.



Senate FY 2017 CJS Bill – Draft Report Language regarding Independently-Assessed Business Case

NAC Institutional Committee

- TCAT/Business Applications: The Committee remains interested in the progress of the Technical Capabilities Assessment team [TCAT] process and implementation. The potential for cross-Center technical teams to allow each Center to be best at what they are best at and also to be the best at what they are needed for is encouraging. However, organizational efficiency is not always the same as organizational effectiveness. The Committee is concerned that divorcing business decisions from local control could result in unnecessary delays to mission execution. **The Committee directs NASA to provide an independently-assessed business case for any further consolidations of procurement or human resources services.** The Committee acknowledges NASA's efforts to inform interested parties of planned implementation actions and further directs that NASA shall ensure all impacted parties, including both local and national unions, are formally consulted before implementing any TCAT-related action, no matter the size. The Committee understands that NASA has assured impacted Centers that recent actions related to small procurements will not result in reduced headcount and expects NASA to follow that promise.